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Connecticut General Assembly



PCSW

Permanent Commission on the Status of Women

The State's leading force for women's equality since 1973.

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**Testimony of
Teresa C. Younger
Executive Director
The Permanent Commission on the Status of Women
Before the
Government Administration and Elections Committee
February 22, 2013**

Re: S.B. 284, AAC the Percentage of Contractors and Subcontractors Who Are Minorities or Women Under the Set-Aside Program

Senators Musto and McLachlan, Representatives Jutila and Hwang, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) regarding S.B. 284, AAC the Percentage of Contractors and Subcontractors Who Are Minorities or Women Under the Set-Aside Program.

S.B. 284 would allocate percentages without a disparity study and no analysis of the status of women business owners. We urge the General Assembly to wait for the disparity study findings before making any changes to the existing set-aside goals.

Last year PCSW hosted discussions with the Department of Administrative Services, Commission on Human Rights and Opportunities and a regional minority supplier group to address issues to strengthen the State's Supplier Diversity Program. Since the last disparity study for the State was done 26 years ago, we agreed that a study needed to be completed prior to making any changes in the existing set-aside goals. A disparity study will provide the General Assembly and state agencies with information to make a decision based on the actual numbers of women and minority-owned businesses. We agree with many who say that the current set-aside numbers are outdated and most likely lacking legal credibility, however designating ratios without accurate data may present the same problems.

Impact on CT Women

When compared nationally, Connecticut ranks 30th in the growth of women-owned businesses.¹ Between 1997 and 2012, Connecticut increased 40% in the number of women-owned firms.² In 2011, Connecticut women-owned firms totaled 97,700, an increase of 4.5% from 2007, and generated \$15.4 billion in revenues.³

¹ The State of Women-Owned Business Report, March 2012 <<http://openforum.com/womenbusinessreport>>.

² Ibid.

³ Hartford Business. *Women-Owned Businesses Growing in Connecticut*, 2011 <http://www.hartfordbusiness.com/news17960.html>>..

Seventy-two percent (72.2%) of women owned business in Connecticut have less than \$500,000 in receipts and 27.7% have less than \$100,000 in receipts.⁴

For many women business owners, establishing and expanding one's clientele and doing business with the state are ways to grow a business and develop long term stability. A strong State set-aside program with accurate data and appropriate supports will lift both women and minority-owned businesses generate greater income for everyone. However, we believe it is premature to move this bill forward at this time. An updated disparity study should be in place before these decisions are made.

We offer our assistance in any efforts to address the concerns of women-owned businesses. We look forward to continuing to work with you on this issue. Thank you.

⁴ National Women's Business Council: Explaining State Level Differences in Women Owned Business Performance, 2006

<<http://www.nwbc.gov/ResearchPublications/documents/StateWOBPerformance.pdf>>

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